

Memorandum

To: CHAIR AND COMMISSIONERS

Meeting Date: December 15, 2005

Reference No.: 2.5e.(2) - **REVISED**
Action Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Ross A. Chittenden
Division Chief
Transportation Programming

Ref: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS**
RESOLUTION FA-05-07

CTC Action Update: The California Transportation Commission approved supplemental funding for Project #1 (02-Sis-5), Project #2 (04-Nap-29), and Project #3 (06-Ker-178). Supplemental funding for Project #4 (06-Tul-99) and Project #5 (08-SBd-15) was not approved at this time.

RECOMMENDATION:

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) approve the following Resolution.

FINANCIAL RESOLUTION:

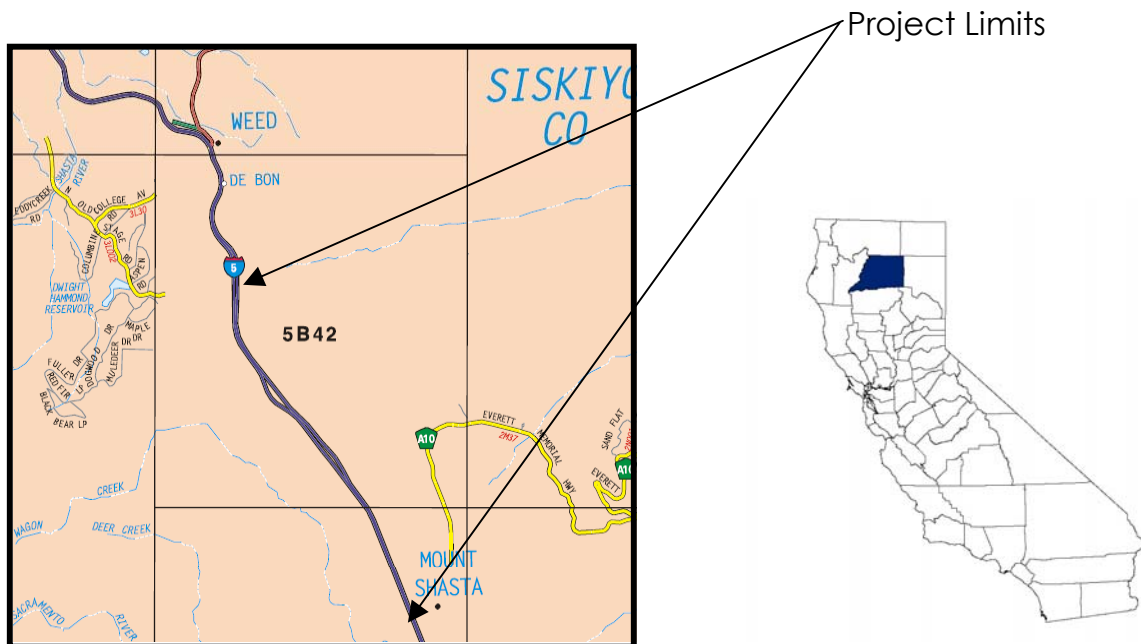
Resolved that ~~\$11,887,000~~ **\$6,181,000** be allocated from the Budget Act of 2005, Budget Act Items 2660-302-0042 and 2660-302-0890, to provide additional funds to allow the following five projects to be awarded.

SUMMARY AND CONCLUSIONS:

This resolution allocates ~~\$11,887,000~~ **\$6,181,000** of additional State and federal funds for the previously approved projects listed below:

Project	Dist-Co-Rte	Original Vote Amount	Award Amount	Current Budget Amount	Current Allocation Revision	Revised Budget Amount	Total Increase Vote/Award
1	02-Sis-5	\$10,815,000	N/A	\$10,815,000	\$3,995,000	\$14,810,000	37% V
2	04-Nap-29	\$4,686,000	N/A	\$4,686,000	\$701,000	\$5,387,000	15% V
3	06-Ker-178	\$6,895,000	N/A	\$6,895,000	\$1,485,000	\$8,380,000	21% V
4	06-Tul-99	\$2,215,000	N/A	\$2,215,000	\$1,106,000	\$3,321,000	50% V
5	08-SBd-15	\$6,080,000	N/A	\$6,080,000	\$4,600,000	\$10,680,000	76% V

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
2.5e.(2) Supplemental Funds for Previously Voted Projects			Resolution FA-05-07		
1 \$3,995,000 Siskiyou 02N-Sis-5 R11.4/R15.0	Near Mount Shasta, 1 mile north of Lake Street to 3 miles south of Route 97. Rehabilitate roadway. Supplemental funds are needed to award construction contract.	381114 02-3095A 2005-06 302-0042 302-0890 20.20.201.120 SHOPP	\$912,000 \$9,903,000 \$10,815,000	\$337,000 \$3,658,000 \$3,995,000	\$1,249,000 \$13,561,000 \$14,810,000



PROJECT DESCRIPTION

On Interstate 5, near Mt. Shasta in Siskiyou County. The project will rehabilitate 4.5 miles of Interstate 5 and includes cracking, seating, and overlaying Portland Concrete Cement (PCC) with 105mm Asphalt Concrete (A/C), grinding failed areas of AC and overlay with 105mm A/C, and widening the median shoulder.

FUNDING STATUS

The project was programmed in the 2004 SHOPP for \$9,018,000 and allocated at the August 2005 Commission meeting for \$10,815,000. Bids for this project were opened on October 19, 2005, and one bid was received at 39% over the Engineer's Estimate. The amount needed to award, based on the sole bid, is \$14,810,000. This request for \$3,995,000 in supplemental funds results in an overall increase of 37% over the original allocation. The project will be awarded pending approval of these supplemental funds.

Vote Date	# Plan Holders	Bid Opening Date	Bid Expiration Date	# Bidders	Vote Amount	Amount needed to Award	% Over Vote Amount
08/18/05	3	10/19/05	12/30/05	1	\$10,815,000	\$14,810,000	37%

Item	Present Allotment	Estimated Final Expenditures
Contract Items	\$9,635,970	\$13,442,076
Supplemental Work	\$557,000	\$557,000
Contingency Fund	\$514,030	\$702,924
State Furnished Materials and Expenses	\$108,000	\$108,000
Totals:	\$10,815,000	\$14,810,000

REASONS FOR COST INCREASE

The project Plan, Specification and Estimate (PS&E) was completed in May, 2005, and the project was ready-to-list on June 30, 2005. Below is a summary of Bid items that account for 74% of the cost increase.

Item	Engineer's Unit Price	Contractor Bid Price	Unit	Quantity	Engineer Total	Contractor Total	Cost Difference
Cold Plane AC Pavement	\$4	\$7	M2	59,900	\$239,600	\$419,300	\$179,700
Asphalt Concrete (Type A)	\$87	\$117	TONN	38,600	\$3,358,200	\$4,516,200	\$1,158,000
Asphalt Concrete (Type A, 37.5-mm Max. Grading)	\$82	\$118	TONN	23,500	\$1,927,000	\$2,773,000	\$846,000
80 MM Plastic Pipe (edge drain)	\$25	\$94	M	6,460	\$161,500	\$609,178	\$447,678
100 MM Plastic Pipe (edge drain)	\$32	\$104	M	1,740	\$55,680	\$180,090	\$124,410
Minor Concrete (weed barrier)	\$200	\$1,377	M3	20	\$65,000	\$275,400	\$210,400
						Total	\$2,966,188

The low bidder was contacted regarding the high bid items and the response is as follows:

- The bid is representative of costs from the subcontractor's bids and the workload demands on the subcontractor have driven up prices largely due to production concerns (jobs in multiple locations, additional crews, and tight windows).
- The night work requirement increased the A/C prices, as they are required to haul (70 miles one way) from their plant in Fawndale (Shasta County) due to day operation restrictions on AC plants in Siskiyou County.
- Additionally the contractors that typically bid on projects within this area were contacted regarding the non-responsiveness to the bid advertisement and to inquire whether or not they would submit a bid if the project was re-advertised. Of the three contractors contacted, two indicated that they were already committed to other projects in northern California, and one indicated that they were awaiting approval of a new pit for aggregate. None committed to submitting a bid if the project was re-advertised.

FUNDING OPTIONS

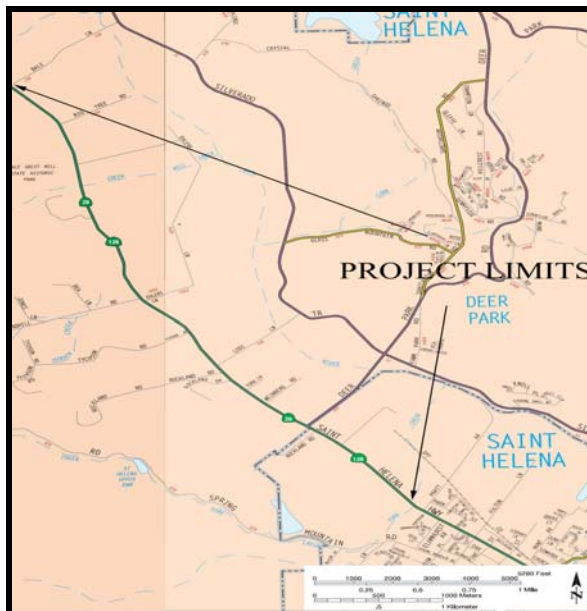
OPTION A: Approve this request, as presented above, for \$3,995,000 in order to allow this project to proceed with contract award and construction.

OPTION B: Deny this request and direct the Department to downscope the project to remain within the voted amount.

RECOMMENDED OPTION

The Department recommends Option A, that \$3,995,000 in supplemental funds be added to the project's allocation in order to award the project and be constructed as originally intended. The Department does not believe that re-advertising the project will result in lower cost bids. Awarding the project to the current bidder will allow work to begin immediately in the spring and maximize the likelihood that the project will be constructed in a single season.

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
2.5e.(2) Supplemental Funds for Previously Voted Projects			Resolution FA-05-07		
2 \$701,000 Napa 04N-Nap-29 29.3/32.8	In Saint Helena from York Creek to Bale Lane. Rehabilitate roadway. Supplemental funds are needed to award construction contract.	128471 04-0379C 2005-06 302-0042 302-0890 20.20.201.120 SHOPP	\$537,000 \$4,149,000 \$4,686,000	\$80,000 \$621,000 \$701,000	\$617,000 \$4,770,000 \$5,387,000



PROJECT DESCRIPTION

On Route 29, in Napa County. The project will overlay the traveled way and shoulders with 60 mm of rubberized asphalt concrete. In addition, the project will rehabilitate existing drainage systems, including improvements to meet current water quality guidelines, upgrade existing metal beam guardrails, and widen the roadway. Improvements at three local intersections are also being made to better facilitate large truck traffic turning movements. In addition, the left turn lane to Deer Park Road is being extended, and other non-standard features are being upgraded to enhance public safety within this segment of Route 29.

FUNDING STATUS

The project was voted at the August 2005 Commission meeting for \$4,686,000. Bids for this project were opened on October 26, 2005, and there were seven bidders at 12%, 19%, 26%, 35%, 44%, 44.6%, and 45% over the Engineer's Estimate. The amount needed to award, based on the lowest responsible bid, is \$5,388,000. This request for \$701,000 in supplemental funds results in an overall increase of 15% over the original allocation. The project will be awarded pending the approval of these supplemental funds.

Vote Date	# Plan Holders	Bid Opening Date	Bid Expiration Date	# Bidders	Vote Amount	Award Amount	% Over Vote Amount
08/05	12	10/26/05	1/6/06	7	\$4,686,000	\$5,388,000	15%

Item	Present Allotment	Estimated Final Expenditures
Contract Items	\$4,363,700	\$4,967,184
Supplemental Work	\$46,000	\$112,100
Contingency Fund	\$223,137	\$254,666
State Furnished Materials and Expenses	\$53,050	\$53,050
Totals:	\$4,686,000	\$5,389,000

REASONS FOR COST INCREASE

The project Plan, Specification and Estimate (PS&E) was completed in April, 2005, and the project was ready-to-list on June 30, 2005. A detailed analysis of all seven bids indicate bids may be high as a result of increased costs of oil, concrete, and transportation. Complexity of work, limited site access, geotechnical and or "buried manmade objects" and uncertain traffic control variables could be major contributors.

The following bid item account for 90% of the cost increase:

Item	Engineer's Unit Price	Contractor Bid Price	Unit	Quantity	Engineer Total	Contractor Total	Cost Difference
Traffic Control System	\$30,000	\$220,512	LS	Lump Sum	\$30,000	\$220,512	\$190,512
Screenings (Hot-Applied)	\$65	\$128	TONN	1,720	\$111,800	\$220,160	\$108,360
Replace Asphalt concrete Surfacing	\$206	\$314	M3	670	\$138,020	\$210,380	\$72,360
Asphalt Concrete (Type A)	\$80	\$88	TONN	8,000	\$640,000	\$704,000	\$64,000
Rubberized Asphalt Concrete (Type G)	\$100	\$115	TONN	9,200	\$920,000	\$1,058,000	\$138,000
Minor Concrete (Minor Structure)	\$1,000	\$1,395	M3	147	\$147,000	\$205,065	\$58,065
						Total	\$631,297

FUNDING OPTIONS

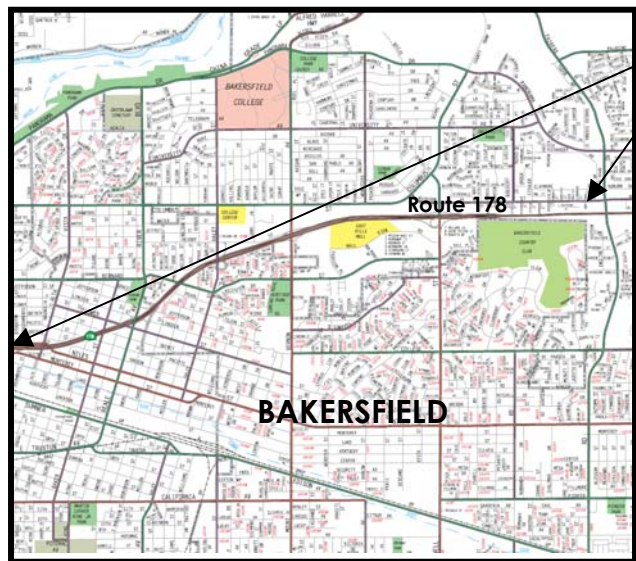
OPTION A: Approve this request, as presented above, for \$701,000 in order to allow this project to proceed with contract award and construction.

OPTION B: Deny this request and direct the Department to downscope the project to remain within the voted amount.

RECOMMENDED OPTION

The Department recommends Option A, that this request for \$701,000 in supplemental funds be added to the project's allocation in order to award the project and be constructed as originally intended.

Project # Allocation Amount County Dist-Co-Rte Postmile	Location Project Description	EA PPNO Budget Year Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
2.5e.(2) Supplemental Funds for Previously Voted Projects			Resolution FA-05-07		
3 \$1,485,000 Kern 06S-Ker-178 9.3/13.8	Near Bakersfield, west of Fairfax Road to Mouth of the Canyon. Rehabilitate roadway. Supplemental funds are needed to award construction contract.	422301 06-3745 2005-06 302-0042 302-0890 20.20.201.120 SHOPP	\$791,000 \$6,104,000 \$6,895,000	\$170,000 \$1,315,000 \$1,485,000	\$961,000 \$7,419,000 \$8,380,000



Project Limits

**PROJECT DESCRIPTION**

On Route 178, in Kern County in the city of Bakersfield. This is a roadway rehabilitation project to widen the shoulder and overlay the existing roadway, from west of Fairfax Road to the Mouth of the Canyon.

FUNDING STATUS

The project was voted at the July 2005 Commission meeting for \$6,895,000 and combined with \$580,000 in local agency funds from the city of Bakersfield, for a total project cost of \$7,475,000. Bids for this project were opened on October 5, 2005, and there were two bidders at 21% and 46% over the Engineer's Estimate. The amount needed to award, based on the lowest responsible bid, is \$9,063,000, (\$8,380,000 in State funds and \$683,000 in local funds from the city of Bakersfield). The city of Bakersfield is contributing \$103,000 towards the cost increase. This request for \$1,484,000 in supplemental funds results in an overall increase of 21% over the original allocation. The project will be awarded pending approval of these supplemental funds.

Vote Date	# Plan Holders	Bid Opening Date	Bid Expiration Date	# Bidders	Vote Amount	Award Amount	% Over Vote Amount
07/14/05	2	10/05/05	1/06/06	2	\$6,895,000	\$8,380,000	21%

Item	Present Allotment	Estimated Final Expenditures
Contract Items	\$6,577,665	\$7,981,897
Supplemental Work	\$330,500	\$345,600
Contingency Fund	\$356,244	\$416,803
State Furnished Materials and Expenses	\$210,600	\$318,700
Totals:	\$7,475,000	\$9,063,000

REASONS FOR COST INCREASE

The Plans, Specifications and Estimate (PS&E) was completed in February 2005, and the project was ready-to-list on June 8, 2005. The largest difference between the Engineer's Estimate and the bid occurred in the unit price of Asphalt Concrete (AC) and Rubberized AC. The estimated unit prices for AC and Rubberized AC were \$48 per tonn and \$55 per tonn, respectively. The bid unit price for AC and Rubberized AC were \$65 per tonn and \$90 per tonn, respectively. These two items accounted for 93% (\$1,375,700) of the difference between the bid and the estimate.

Moreover, the unit rate for roadway excavation was elevated because the contractor felt that the estimated quantity and rate did not account for the required keying of the relatively thin embankments. This unit price was \$7/m³ in the estimate while the bid was \$28/m³. This accounted for a difference of \$957,600.

Item	Engineer's Unit Price	Contractor Bid Price	Unit	Quantity	Engineer Total	Contractor Total	Cost Difference
Asphalt Concrete	48.00	65.00	TONN	38,100	\$1,828,800	\$2,476,500	\$647,700
Rubberized Asphalt Concrete	55.00	90.00	TONN	20,800	\$1,144,000	\$1,872,000	\$728,000
Roadway Excavation	7.00	28.00	M ³	45,600	\$319,200	\$1,276,800	\$957,600
						Total	\$2,333,300

Note: The remaining bid items came in under the Engineer's Estimate by \$849,300

FUNDING OPTIONS

OPTION A: Approve this request, as presented above, for \$1,485,000 in order to allow this project to proceed with contract award and construction.

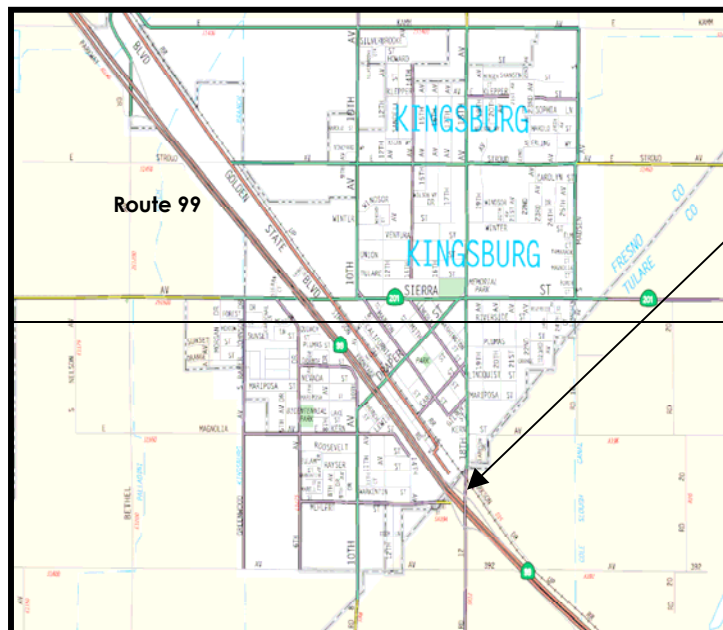
OPTION B: Deny this request and direct the Department to downscope the project to remain within the voted amount.

RECOMMENDATION

The Department recommends Option A, that this request for \$1,485,000, be approved to allow the contract to be awarded. The Department feels the bid amount for this project is fair and reasonable.

NOT APPROVED FOR FUNDING AT THIS TIME

Project # Allocation Amount County Dist Co Rte Postmile	Location Project Description	EA PPNQ Budget Year Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
2.5e.(2) Supplemental Funds for Previously Voted Projects			Resolution FA-05-07		
4 \$1,106,000 Tulare 06S-Tul-99 51.9	Near Kingsburg, Warlow Safety Roadside Rest Area. Rehabilitate roadside rest area.	432001 06-6476 2005-06 302-0042 302-0890 20-20-201-250 SHOPP	- \$2,215,000 \$2,215,000	- \$1,106,000 \$1,106,000	- \$3,321,000 \$3,321,000



Project Location

**PROJECT DESCRIPTION**

On Route 99, in Tulare County at the Warlow Safety Roadside Rest Area. The project will rehabilitate the existing single unit Safety Roadside Rest Area serving both the northbound and southbound directions of Route 99. Improvements are necessary to comply with the American Disabilities Act (ADA) requirements mandated in conjunction with this project. The work will include demolition and replacement of the comfort station; replacement of sanitary sewer facilities; upgrade of utilities, walks and site furnishings; and construction of a maintenance crew/ CHP facility.

FUNDING STATUS

The project was voted at the August 2005 Commission meeting for \$2,215,000. Bids for this project were opened on October 12, 2005, and there were two bids at 16% and 55% over the Engineer's Estimate. The apparent low bidder requested, and was granted bid relief on October 26, 2005. The amount needed to award, based on the second bidder is \$3,321,000. This request for \$1,106,000 in supplemental funds results in an overall increase of 50% over the original allocation. The bid has been extended to January 6, 2006 as a result of delays resulting from the relief of the first bidder and

Civil Rights review for the second bidder. The project will be awarded pending approval of these supplemental funds.

Vote Date	# Plan Holders	Bid Opening Date	Bid Expiration Date	# Bidders	Vote Amount	Award Amount	% Over Vote Amount
08/18/05	9	10/12/05	1/06/06	2	\$2,215,000	\$3,321,000	50%

Item	Present Allotment	Estimated Final Expenditures
Contract Items	\$1,924,645	\$2,981,192
Supplemental Work	\$112,700	\$112,700
Contingency Fund	\$105,155	\$154,607
State Furnished Materials and Expenses	\$72,500	\$72,500
Totals:	\$2,215,000	\$3,321,000

REASONS FOR COST INCREASE

The Plan, Specification and Estimate (PS&E) was completed in May, 2005 and the project was ready to list on June 27, 2005. All bids were above the Engineer's Estimate. The lowest responsible bid was above the Engineer's Estimate of \$1,924,645 by 55%. The District performed a bid analysis to determine all significant differences between the Engineer's Estimate and the contract bids. The cost increase in the following bid items account for 90% of the cost increase.

Item	Engineer's Estimate	Contractor Bid Price	Unit	Quantity	Total Cost Difference
Building Work	\$1,302,457	\$2,195,500	Lump Sum	Lump Sum	\$893,043
Irrigation System	\$74,000	\$129,000	Lump Sum	Lump Sum	\$55,000
Water Pollution Control	\$15,000	\$60,000	Lump Sum	Lump Sum	\$45,000
Total					\$993,043

Additional causes for the cost increase are due to:

- Anticipated future increase in material costs from suppliers and subcontractors. Prices are only honored for 30 days, not the life of the contract.
- Contractors report that it is difficult to find subcontractors for this type of work.

FUNDING OPTIONS

OPTION A: Approve this request, as presented above, for \$1,106,000 in order to allow this project to proceed with contract award and construction

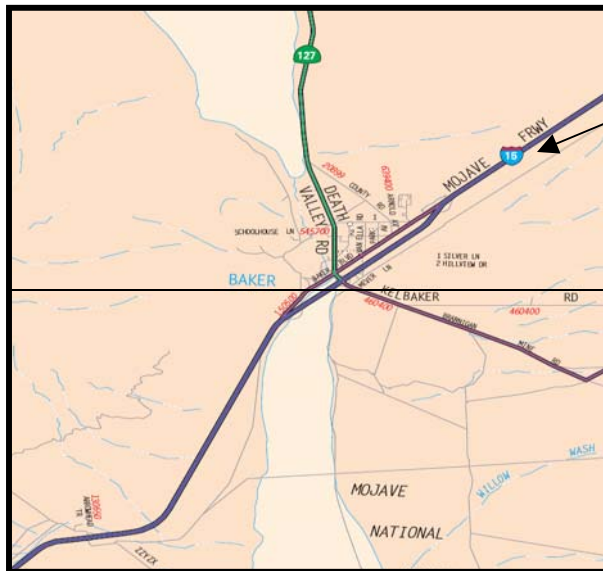
OPTION B: Deny this request and direct the Department to downscope the project to remain within the voted amount.

RECOMMENDATION

The Department recommends that this request for \$1,106,000, be approved to allow the contract to be awarded.

NOT APPROVED FOR FUNDING AT THIS TIME

Project # Allocation Amount County Dist Co Rte Postmile	Location Project Description	EA PPNQ Budget Year Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
2.5e.(2) Supplemental Funds for Previously Voted Projects			Resolution FA-05-07		
5 \$4,600,000 San Bernardino 08S-SBd-15 160.8/161.5	Near Baker at Valley Wells. Reconstruct Safety Roadside Rest Areas. Supplemental funds are needed to award construction contract.	0A6401 08-0176B 2005-06 302-0042 302-0890 20-20-201-250 SHOPP	\$513,000 \$5,567,000 \$6,080,000	\$388,000 \$4,212,000 \$4,600,000	\$901,000 \$9,779,000 \$10,680,000



Project Location

**PROJECT DESCRIPTION**

On Interstate 15, between the city of Baker and the Nevada Stateline, in San Bernardino County. This project will demolish and reconstruct the northbound and southbound Valley Wells Safety Roadside Rest Area facilities. The buildings and site amenities are over twenty years old and are deficient in meeting travelers' safety needs, ADA and CalOSHA requirements. Wood construction materials are structurally undermined at building eaves, plumbing walls, overhead structures, privacy screens, and site seating due to age, weathering and insect damage. The facility has deteriorated significantly and is beyond the state of repair.

FUNDING STATUS

The project was programmed in the 2004 SHOPP for \$5,529,000 and was allocated for \$6,080,000 at the July 2005 Commission meeting. Bids for this project were opened on October 20, 2005, and there were two bidders at 78% and 93% over the Engineer's Estimate. The amount needed to award, based on the lowest responsible bid, is \$10,680,000. This request for \$4,600,000 in supplemental funds results in an overall increase of 76% over the original allocation. The project will be awarded pending approval of these supplemental funds.

Vote Date	# Plan Holders	Bid Opening Date	Bid Expiration Date	# Bidders	Vote Amount	Award Amount	% Over Vote Amount
07/14/05	11	10/20/05	12/30/05	2	\$6,080,000	\$10,680,000	76%

Item	Present Allotment	Estimated Final Expenditures
Contract Items	\$5,606,347	\$9,989,600
Supplemental Work	\$48,000	\$48,000
Contingency Fund	\$280,353	\$497,100
State Furnished Materials and Expenses	\$145,300	\$145,300
Totals:	\$6,080,000.00	\$10,680,000

REASONS FOR COST INCREASE

The Plan, Specification and Estimate (PS&E) was completed in January, 2005 and the project was ready to list on May 2, 2005. All bids were above the Engineer's Estimate. The lowest responsible bid was above the Engineer's Estimate of \$5,606,347 by 78%. The District performed a bid analysis to determine all significant differences between the Engineer's Estimate and the contract bids. The cost increase in the following bid items account for **86%** of the cost increase:

Item	Engineer's Unit Price	Contractor Bid Price	Unit	Quantity	Engineer Total	Contractor Total	Cost Difference
Time Related Overhead (TRO)	\$10,000	\$990,000	LS	Lump Sum	\$10,000	\$990,000	\$980,000
Minor Concrete (Seeding walls)	\$450	\$1,336	M	210	\$94,500	\$280,560	\$186,060
Minor Concrete (Sidewalk)	\$700	\$1,485	M ²	700	\$490,000	\$1,039,500	\$549,500
Building Work	\$4,134,087	\$6,357,190	LS	Lump Sum	\$4,134,087	\$6,357,190	\$2,223,103
						Total	\$3,938,663

The high bids can be attributed to the following:

- Only two contractors submitted bids.
- Although ten contractors picked up plans for this project, none of them submitted bids by the initial bid opening date.
- The contractors that did not submit bids cited the demolition and reconstruction as specialty work and had minimal experience with this type of project.
- The District decided to extend the bid opening date by a couple of weeks when a couple of the prospective bidders showed interest in the project.
- The Time Related Overhead (TRO) was miscalculated on the Engineer's Estimate at \$10,000 and should have been 10% of the bid items for a total of \$560,000.
- The remoteness of the site and trucking costs due to high fuel prices also have contributed to the higher bid price.

FUNDING OPTIONS

OPTION A: Approve this request, as presented above, for \$4,600,000 in order to allow this project to proceed with contract award and construction.

OPTION B: Deny this request and direct the Department to downscope the project to remain within the voted amount.

RECOMMENDATION

The Department recommends Option A, that this request for \$4,600,000, be approved to allow the contract to be awarded for this high priority safety-related project.